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COUNTRY China

SUBJECT Tax Collections in Kwangtung

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SUPPLEMENT TO
REPORT NO. 25X1X

1. The advance estimate on business taxes from Kongmoon hsien (113-06, 22-34) was JMP 12 billion, from T'aishan hsien (112-48, 22-15) JMP 10 billion, and from the San Fou (三 埠) district - including Ch'angsha (112-42, 22-22), Hsinch'ang (112-42, 22-21) and Tihai (112-41, 22-20) - JMP 18 billion. However, during April and May 1950, industry and commerce in this area both suffered from continuous floods and Nationalist air-raids, and businessmen could not pay their assessed taxes.
2. When a tax reduction was requested of local authorities, the assessment of Kongmoon hsien was reduced to JMP 8 billion and that of T'aishan hsien to JMP 5 billion, with each paying an additional ten percent local tax. A similar reduction was anticipated in the San Fou district, but arrangements there had not been completed by 7 June.
3. In Kongmoon hsien, the United Association of Industry and Commerce, which has been cooperating with Communist authorities, assessed each shop an average of HK \$180. Special taxes were placed on large firms: JMP 300 million for the Kongmoon Paper Mill and the Wan Shan (萬 山) Trading Company. The three foreign companies which operate in the town, the Texas Company (China), Ltd., the Standard-Vacuum Oil Company, and the Asia Petroleum Company, were assessed a total of JMP 1,500,000,000.
4. By the first week in June, only a few of the native shops had paid their taxes, and the city authorities were dispatching party members to press for collections. The three oil companies had paid in full.

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